

COMMONWEALTH OF KENTUCKY

IN RE: KENTUCKY RIVER AUTHORITY

MEETING NO. 172

August 26, 2014
1:00 P.M.
Lock and Dam 3
8728 Gest Road
Pleasureville, Kentucky

APPEARANCES

Ms. Clare Sipple
CHAIR

Mr. Charles Bush
Proxy for Secretary Lori Flanery
Ms. Paulette Akers
Proxy for Secretary Len Peters
Mr. Ted Collins
Mr. Warner Caines
Mr. Russ Meyer
Mr. Rodney Simpson
Mr. Keith Cartier
Mr. Jack Stickney
Ms. Pat Banks
Mr. Herbbie Bannister
KENTUCKY RIVER AUTHORITY

Mr. Jerry Graves
EXECUTIVE DIRECTOR

CAPITAL CITY COURT REPORTING

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APPEARANCES
(Continued)

Ms. Sue Ann Elliston
Ms. Jennie Wolfe
Mr. David Hamilton
Mr. Bobby Webb & staff
Mr. Tom Russell
KRA STAFF

Ms. Kara Smothermon
Ms. Mary Kozak
Mr. Tom Beall
Mr. Ben Webster
Mr. John V. Carpenter
Mr. Mike Flynn
Mr. Tom Bonny
Ms. Francine Bonny
Mr. David Brown Kinloch
GUESTS

AGENDA

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| 3. Financial Report - Jennie Wolfe | 7 - 12 |
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MOTIONS

MOTION TO APPROVE MINUTES OF MEETING #171.....PAGE 6, LINE 16

CHAIR SIPPLE: Did everyone get a copy of the minutes? Have we had a chance to look them over and do I have any corrections or do I need a motion to approve?

MR. CARTIER: Motion to approve.

CHAIR SIPPLE: Keith makes a motion to approve. Do we have a second?

MR. BUSH: Second.

CHAIR SIPPLE: We have a second. All those in favor, signify by saying aye. The minutes are approved.

MOTION TO APPROVE FINANCIAL REPORTPAGE 11, LINE 18

CHAIR SIPPLE: Any other questions for Jennie? If not, may I have a motion?

MR. COLLINS: I move to accept the Financial Report.

CHAIR SIPPLE: Thank you, Judge. We have a motion. Do we have a second?

MR. MEYER: Second.

CHAIR SIPPLE: We have a second. All those in favor, signify by saying aye. Any opposed? The Financial Report is approved.

MOTION TO APPROVE INITIATION OF LEASE AGREEMENT WITH JESSAMINE COUNTY FOR LOCKS AND DAMS 7 AND 8 PARK, PENDING STATE APPROVAL.....PAGE 27, LINE 20

CHAIR SIPPLE: I would like for someone to enter a motion that we approve the initiation of a lease agreement pending all the approvals by the State.

MS. BANKS: I do.

CHAIR SIPPLE: Pat Banks makes the motion. Do we have a second?

MR. STICKNEY: Second.

CHAIR SIPPLE: Jack Stickney gives a second. So, all those in favor, signify by saying aye. Anybody opposed?

**MOTION TO APPROVE INITIATION
OF LEASE AGREEMENT WITH ESTILL
COUNTY FISCAL COURT FOR LOCK
#12 PROPERTY AND APPROVAL TO
INSTALL PORTAGES AT LOCKS 11,
12 AND 13, PENDING STATE
APPROVALPAGE 34, LINE 20**

CHAIR SIPPLE: Then, I'd like to call for a motion again to give our initial approval of this plan. Of course, it will have to go through the same channels.

MS. BANKS: I have a question first. Are we going to incorporate 11, 12 and 13 for the initiation of exploring this?

CHAIR SIPPLE: I think that would have to go into our five-year plan and that would be at a further date. I think it's something that we will consider at a later date.

MS. BANKS: The portages, though.

CHAIR SIPPLE: The portages.

MS. BANKS: We're including all of that?

MR. BONNY: We would like to see it happen, the portages.

CHAIR SIPPLE: Okay.

MS. BANKS: So, I make that motion.

CHAIR SIPPLE: Pat has made the motion.

Do we have a second?

MR. STICKNEY: Second.

CHAIR SIPPLE: We have a second.

Do we have any further discussion? If not, I'll call for a vote. All those in favor of giving initial approval of this agreement, signify by saying aye. Any opposed?

MOTION TO ADJOURNPAGE 57, LINE 19

CHAIR SIPPLE: Do I have a motion to adjourn?

MS. AKERS: So moved.

MR. COLLINS: Second.

CHAIR SIPPLE: We are adjourned.

1 CHAIR SIPPLE: We will get
2 started. Sue Ann, will you call roll, please.

3 (ROLL CALL)

4 MS. ELLISTON: We do have a
5 quorum.

6 CHAIR SIPPLE: Thank you. We have
7 several guests here today. I'd like for the guests to
8 please introduce themselves. I know a lot of you are
9 going to be speaking but just for our record, if we
10 could have your name, please.

11 (INTRODUCTION OF GUESTS)

12 CHAIR SIPPLE: Welcome. You all
13 had a long drive but it's really a pretty drive and
14 we've got a perfect day up here under the shade of this
15 tree.

16 Did everyone get a copy of the
17 minutes? Have we had a chance to look them over and do
18 I have any corrections or do I need a motion to approve?

19 MR. CARTIER: Motion to approve.

20 CHAIR SIPPLE: Keith makes a
21 motion to approve. Do we have a second?

22 MR. BUSH: Second.

23 CHAIR SIPPLE: We have a second.
24 All those in favor, signify by saying aye. The minutes
25 are approved.

1 Jennie, can we have a Financial
2 Report, please.

3 MS. WOLFE: I'll stand so you all
4 can hear me.

5 This Financial Report will cover
6 May, June and July. In May, the Tier I Fund had revenue
7 of \$208,417.91, and that was both water user fees and
8 interest income. Expenditures for the month were
9 \$69,929.31 and included salary and operating expenses.
10 The Tier I Fund ended the month of May with a balance of
11 \$1,030,472.09.

12 In May, the Tier II fund had total
13 revenue of \$715,092.75. This was water user fees and
14 interest income. A transfer was made to the Debt
15 Service Reserve Fund for \$3,215.34, and the Tier II Fund
16 ended the month with a cash balance of \$2,721.200.84.

17 The Equipment Replacement Fund had
18 revenue of \$1,295, expenses of \$464.06, and the fund
19 ended the month with a cash balance of \$43,888.41.

20 The General Fund had a normal
21 salary and operating expense of \$20,966.62 and ended the
22 month with a balance of \$7,764.47.

23 In the Capital Construction Funds
24 for May, the Dam 8 Renovation Fund had engineering
25 oversight of \$4,210.60 and ended the month with a

1 balance of \$9,790,361.05.

2 The Locks 1 and 2 Renovation Fund
3 had engineering oversight of \$2,779.35 and construction
4 expense of \$69,702.96, and that fund ended the month
5 with a balance of \$3,862,642.09.

6 The Interest Earning Capital
7 Construction Fund earned \$829.50 during May and ended
8 with a balance of \$20,805.31.

9 Moving on to June, the last month
10 of the fiscal year, the Tier I Fund had revenue of
11 \$14,139.10 and that was both water user fees and
12 interest income. The expenses for the month were
13 \$83,344.06 and that was salary, benefits and operating
14 expense. The cash balance of the Tier I Fund at month
15 end was \$961,267.13.

16 The Tier II Fund had revenue of
17 \$10,011.45 and that included both water user fees and
18 interest income. The KRA Locks and Dams Maintenance
19 Pool '12 to '14, which is a Capital Construction Fund,
20 was closed in June and the remaining cash in that fund,
21 \$51,013.18, was transferred into the Tier II Fund.

22 A quarterly debt service payment
23 was made in June for \$605,484.70, and the Tier II Fund
24 ended June with a balance of \$2,176,740.77.

25 The Equipment Replacement Fund had

1 revenue of \$300 and expenses of \$3,881.60, and the
2 ending balance was \$40,306.81.

3 The General Fund had salary and
4 operating expense of \$7,285.93. The General Fund ended
5 June with a balance of \$478.54 which was transferred
6 back into the General Fund to help with the budget
7 deficit at year end.

8 CHAIR SIPPLE: That was close.

9 MR. GRAVES: We tried our best to
10 zero it out but it just didn't work.

11 CHAIR SIPPLE: Pretty darn close.

12 MR. GRAVES: So, we helped the
13 debt service for the Commonwealth.

14 MS. WOLFE: In the Capital
15 Construction Funds in June, like I said, the KRA Locks
16 and Dams Maintenance Pool '12 to '14 was closed and that
17 money was transferred back to the Tier II Fund. And the
18 Interest Earning Capital Construction Fund had interest
19 of \$526.14, and the cash balance at the end of the month
20 was \$21,331.45.

21 Fiscal year 2015 started on July
22 1. The Tier I Fund had revenue of \$10,897.23 and
23 included both water user fees and interest income. The
24 expenses were \$86,106.83 and included salary, benefits
25 and operating expense. The cash balance at the end of

1 July was \$886,057.53.

2 The Tier II Fund had revenue of
3 \$68,768.68, was water user fees and interest income.
4 The cash balance at the end of the month was
5 \$2,245,509.45. The Equipment Replacement Fund had no
6 activity in July.

7 The General Fund started the
8 fiscal year with a new allotment of \$251,200. Personnel
9 expense in July was \$38,287.53. Operating expense was
10 \$5,217.45. The General Fund balance at the end of July
11 was \$207,695.02.

12 In the Capital Construction Funds,
13 the Dam 8 Renovation Fund had engineering oversight of
14 \$35,213.10, and the balance at the end of the month was
15 \$9,755,147.95.

16 The Locks 1 and 2 Renovation Fund
17 had engineering oversight of \$43,934.05 and construction
18 expense of \$522,125.91. We ended the month with a
19 balance of \$3,296,582.13.

20 The Interest Earning Capital
21 Construction Fund had interest of \$408.08 in July and
22 ended the month with a cash balance of \$21,739.53.

23 On August 1st, the invoices were
24 mailed out for the quarter ending June 30th. In the
25 Tier I Fund, we billed \$231,620.67. In the Tier II

1 Fund, we billed \$846,921.02. As of today, our
2 outstanding water user fee balance is \$8,707 in Tier I
3 and \$1,476 in Tier II.

4 Any questions?

5 MR. BANNISTER: On your Capital
6 Funds' headline for July, I'm curious. Your engineering
7 oversight, is that resident inspection or is that design
8 fees?

9 MR. GRAVES: Resident inspection.
10 The design fees, those have been paid. That's for 8 and
11 1 and 2. Yes, sir.

12 MR. STICKNEY: On the June Capital
13 Project Funds, I guess the elimination of Dam
14 Maintenance Pool 12-14.

15 MS. WOLFE: That's fiscal year '12
16 to '14. So, since fiscal year '14 ended, we had to
17 close that fund and transfer the money into Tier II.

18 CHAIR SIPPLE: Any other questions
19 for Jennie? If not, may I have a motion?

20 MR. COLLINS: I move to accept the
21 Financial Report.

22 CHAIR SIPPLE: Thank you, Judge.
23 We have a motion. Do we have a second?

24 MR. MEYER: Second.

25 CHAIR SIPPLE: We have a second.

1 All those in favor, signify by saying aye. Any opposed?
2 The Financial Report is approved. Thank you, Jennie.

3 Now we have the presentation and
4 consideration for a proposal of Lock and Dam 12 park
5 from Judge Wallace Taylor. Judge Taylor has not made it
6 here yet, so, the Bonnys, would you want to do that or
7 do you think he's still coming?

8 MR. BONNY: I think he would have
9 been here by now probably.

10 CHAIR SIPPLE: We could go on.
11 Mary is here and we could go on and just wait. And if
12 he's not here, we'll let you go on and do it, but I'd
13 rather, if possible, if he could be here.

14 MR. BONNY: That's fine.

15 CHAIR SIPPLE: Thank you. So, we
16 have a presentation and consideration for a proposal of
17 Lock and Dam 8 - that's 7 and 8, isn't it, Mary?

18 MS. KOZAK: Yes, it is.

19 CHAIR SIPPLE: Mary Kozak is the
20 Special Projects Director for Jessamine County; and
21 without her, I think this river would have dried up and
22 blown away.

23 MS. KOZAK: Oh, gosh, no. It's a
24 lot of people like you and me together.

25 Thank you for having us here. I

1 came with a very special person. He is sitting back
2 there in the red shirt. He has a vested interest in
3 what the River Authority is doing because he is on the
4 river. He has the first commercial vineyard in the
5 nation on his property and he also has a resort there.

6 So, he's a good Jessamine County
7 neighbor and just a hard worker and he wants to partner
8 with what we're planning on doing.

9 CHAIR SIPPLE: What's his name,
10 Mary?

11 MS. KOZAK: Tom Beall, B-e-a-l-l.
12 We are looking at doing something with Lock 7 and with
13 8.

14 Just a little background.
15 Jessamine County has 42 miles of river. And just to
16 kind of give you a reference point, this is the
17 meandering river, and I've identified Locks 7, 8 and 9
18 on there.

19 These are actually the site plans
20 that you've got in your package. You've probably seen
21 that guide before. That's our River Guide. So, with
22 that 42 miles that we have, we've identified everything
23 historic at this point that is along that river.

24 So, when people go and enjoy the
25 river on the river itself, they will see markers that

1 actually go along with the brochure so they can get an
2 education while they recreate, while they enjoy the
3 scenery.

4 What I'll talk about first is Lock
5 7, the first one. That one, it's not really that
6 difficult for us to do. The property there is fairly
7 level. It's a level piece of property.

8 There's a cave on it that we are
9 going to get investigated. There is a spring there that
10 people actually use. I've seen them with their cars or
11 whatever vehicle and wash it there and probably wash
12 their hands and things like that. So, we're going to
13 have the water tested to make sure that there are no
14 problems there.

15 We have areas identified for
16 parking. So, at any given time, we see four or five
17 cars there constantly. They love this spot. Of course,
18 we're in the middle of the Palisades right there. They
19 come to picnic, they come to fish, they come just to sit
20 and enjoy the view.

21 So, we are going to be providing
22 things like grills, like concrete, tables with benches.
23 We are going to be putting up signage to caution people
24 about certain things, the rules basically, and also some
25 historic interpretation.

1 For instance, we've got the old
2 propeller that was at the hydroelectric plant. They had
3 taken it out of the river and they situated it on one of
4 the concrete pads there. So, we want to secure that so
5 it's not a hazard because I see, as a mother, little
6 kids coming and climbing on that thing and they could
7 get hurt. So, we just want to make sure that it's going
8 to be safe for everybody.

9 There are two buildings there.
10 One is a building that is in not too bad of a shape.
11 It's a concrete building. It's locked. We have no idea
12 what's in there but maybe we'd like to explore what's in
13 there and possibly use it for storage or something like
14 that.

15 And, then, the other building is
16 pretty much deteriorated. It's a metal building and at
17 this point there's no usage for that building.

18 So, we're doing relatively
19 inexpensive but things that need to be done at that
20 particular facility. It's not as remote as the other
21 lock that we're going to be talking about. That one is
22 right near High Bridge. And, of course, you all just
23 extended the lease for us at High Bridge.

24 So, since we have a person there
25 that is residing on the High Bridge property, we're

1 going to utilize that person to come in to the Lock 7
2 area on a regular basis to make certain that everything
3 is as it should be and report back to us for any action
4 that we need to take.

5 One thing that is of somewhat
6 concern there is that there is an easement across that
7 property that goes beyond there and there are about four
8 homes in through there. It's apparently one property
9 owner but they have probably family members that reside
10 there.

11 So, we were thinking it would be
12 great to have a gate there, not at their property but at
13 the entrance of the park so that we can keep four-
14 wheelers from going in there because there's a lot of
15 four-wheelers going there and just keeping it open from
16 dawn to dusk.

17 And what we would do is put a gate
18 there that is on a timer so we would not hinder any
19 access to those property owners that are in the back and
20 work out some kind of a mechanism, by remote or
21 something like that, so that they would still have
22 access to their property.

23 What we're looking at is not an
24 official time frame to do all of this. There are some
25 things that we could do very easily. We can order some

1 signage and test the water and do some spelunking and
2 things like that; but some of the other more extensive,
3 more expensive things, it will be a matter of as the
4 money is there, we will go ahead and do that.

5 Of course, we've got the county
6 crew that we rely on to do a lot of work for us, so,
7 they will always be available to do that.

8 And a big thing is you've got some
9 locks open, and hopefully you will be coming down to 7
10 at some point in time to open up the gates at 7 for us.
11 It would be great to continue going down the river to a
12 point that you can and have that recreational outlet,
13 bring the river back to life as it was many years ago.
14 So, that's one thing that we're really looking forward
15 to.

16 Any questions about 7? If not,
17 then, I will go on to 8.

18 And 8, of course, is where the
19 construction is taking place right now. We were down
20 there not too long ago to take a look at the property.
21 Of course, we had to put hard hats on because it is very
22 active.

23 So, what we are looking at doing
24 there--it's in a more remote area and you have to want
25 to go there to get there.

1 MR. GRAVES: I was telling Herbbie
2 earlier, it's pretty much the end of the world.

3 MS. KOZAK: It is. It is; but,
4 like I said about our neighbor there, Tom Beall, he owns
5 part of that extended property, so, he would be our
6 neighbor, our partner. Then, there are people around
7 that area, so, they would help with this also.

8 So, even though it is remote, I
9 think people will come for sure because back in the
10 thirties, I think it was, right, John, maybe the 1930's?
11 Are you that old, John?

12 MR. WEBSTER: I can barely hear
13 you, Mary.

14 MS. KOZAK: I said back in the
15 1930's----

16 MR. WEBSTER: No, no, no.

17 MS. KOZAK: Well, back in the
18 thirties, now the Judge tells me - he was a little,
19 little3 guy - back in the thirties that they would go
20 there with their family and their friends and use the
21 white sand beach that's there.

22 And a part of the sandy beach is
23 on the lock property, but most of it, about 1,200 feet,
24 is actually on our neighbor's property. So, he is very
25 willing to go ahead and provide us with an easement at

1 the point that is necessary to have the usage of his
2 property for the beach and possibly for an outfitter and
3 for some tour boats, things of that sort. So, it could
4 once again, be a very active area and recreationally a
5 very beautiful area.

6 So, what we're looking at doing
7 there, because it is remote, one of the first things are
8 the safety features. And at this point, we would need a
9 trailer and we already have access to a trailer very
10 similar to what we have at High Bridge. We have a
11 trailer there. We have a person that resides in the
12 trailer, keeps watch of everything, has a very heavy
13 hand which sometimes you need, and just keeps things in
14 order. So, we would do something the same at this
15 particular property.

16 So, for you that have gone down to
17 that property, there is a ledge that would be pretty
18 much out of the floodplain where the construction
19 trailer is right now. So, we would be looking at
20 improvements to that ledge and to set the trailer on top
21 of there to have a very good watchful eye of what's
22 happening and be out of any flooding dangers.

23 So, that is the main thing that
24 we're going to be doing in addition to some fencing that
25 is required there.

1 Of course, restrooms, we're going
2 to be doing that at both sites, and what we're looking
3 at is something fairly simple and easy to construct and
4 to use and vandal-proof, so, something like a composting
5 toilet in through there.

6 Some of the other things are quite
7 a bit of parking because we know people will come. It's
8 a great fishing area. So, we will provide for a
9 designated fishing area. We will have a recreation
10 playground area for children.

11 We will be doing two picnic
12 shelters and we'll do primitive camping because we see
13 that with both sites, we've got people coming now.
14 We've got people lugging their canoes and their kayaks
15 and trying to go around the locks but it's not easy for
16 them.

17 Of course, both locks, we're
18 looking at portages. So, for that particular one, we
19 would have an area where they could actually spend a
20 night. We would have the grills. We've got the picnic
21 shelter. We've got primitive camping that is
22 designated.

23 In both areas also, we've got a
24 wetland. So, we're going to be protecting that wetland
25 and making it available for schools as an outdoor

1 classroom, maybe helping us with regenerating that
2 wetland, whether it's for grade school children, high
3 school.

4 We've got properties in Jessamine
5 County that Asbury College, the University of Kentucky
6 and others come because it is so significant, they come
7 and actually hold their classes there. So, we feel
8 that's going to be the same thing at Lock 7 and at Lock
9 8.

10 So, that is basically what we're
11 doing. With this particular Lock 8, the construction is
12 not going to end until late 2015.

13 MR. GRAVES: Hopefully.

14 MS. KOZAK: Hopefully. So, we're
15 kind of on hold there, but there are certain things,
16 planning things that we can do there and maybe start
17 looking at signage and things like that.

18 And as far as the signage for both
19 locks, at Lock 7, we would be looking at something
20 starting out at U.S. 68 and going down to the lock area
21 with signage to get people there.

22 And with Lock 8, we would be
23 starting off of 27 and coming all the way down to the
24 lock. So, we would have good signage. Hopefully nobody
25 will shoot it down; and if they do, we'll just go ahead

1 and redo it.

2 So, again, hopefully we can use
3 that year in construction as a time to build up the
4 county's resources so we can get some of these things
5 done.

6 MS. BANKS: With the signage, we
7 are working with the University of Kentucky and Allison
8 Bullock, the National Park person, and, then, of course,
9 the River Authority will be working on safety signage.

10 MS. KOZAK: Good.

11 MS. BANKS: So, we'll want to
12 coordinate, I think, the ideas. I'm sure you know what
13 your needs are. So, maybe at the next meeting, you can
14 come and make sure, since you're kind of early in the
15 process, to make sure all of the needs are thought
16 about.

17 MS. KOZAK: Sure, sure, because
18 we're looking at safety signage, we're looking at
19 historic, we're looking at cultural, we're looking at
20 rules, what are the times, what can we do, should we use
21 the water in the spring, should we do this or that.

22 And especially around the locks,
23 we want to make certain that they're as free of any
24 hazards as possible. So, we recognize all of that. So,
25 yes, a meeting would be good.

1 CHAIR SIPPLE: Anyone else? I
2 have a comment, and that is if you all do as lovely a
3 job with these two parks as you did with High Bridge----

4 MS. KOZAK: No, no. We're not
5 doing any more.

6 CHAIR SIPPLE: I said if you do as
7 lovely a job with these two as High Bridge, then, we
8 would have no concerns because you all have done an
9 exemplary job there.

10 MS. KOZAK: And the credit goes to
11 the county. I think the Judge especially, the
12 Magistrates are so supportive. They find the resources
13 to do it. They recognize the significance of these
14 areas and making it available to the public. So, the
15 credit really needs to go to them.

16 And, of course, we get support
17 from our two Mayors and we'll continue to do that.
18 Right, Mr. Meyer, Mayor Meyer?

19 MR. MEYER: Putting me on the spot
20 here, aren't you, Mary?

21 MS. KOZAK: Well, you'll continue
22 to give us support.

23 MR. MEYER: That's right.

24 MS. KOZAK: I'm not asking for
25 support. I'm demanding support.

1 CHAIR SIPPLE: Would we need to
2 take a vote on this to approve or consider?

3 MR. GRAVES: I think so. Of
4 course, this will have to go over to Charles' old shop,
5 to Finance to go through all the processes, but it's
6 something we've done in the past.

7 If I could make a comment. This
8 is not only a good asset for Jessamine County, but on a
9 selfish side, this helps me and my staff as far as
10 maintaining less acreage. We're just covered up beyond
11 words. It's impossible for us to keep all 14 facilities
12 looking like this.

13 So, I think it's a win/win for
14 everybody and we'll go through the proper channels to
15 make sure the "t's" are crossed and the "i's" are
16 dotted, but this is the first step. They've put a lot
17 of work into it. We've had a lot of meetings towards
18 this matter.

19 MS. KOZAK: One other point, if I
20 could. Across the river in Garrard County, they have a
21 piece of property that was intended to be a state park
22 and it never happened.

23 Why don't we work toward having
24 something like that in Jessamine County on our side?
25 Whether we utilize Lock 8 property or anything there,

1 but you build it and they will come and everybody knows
2 how significant the Palisades are, how beautiful they
3 are. And what an asset to our county, to our state to
4 have something like that in our area.

5 CHAIR SIPPLE: Well, as the
6 National Park Service representatives who were here
7 said, we have a world-class resource which no one knows
8 about. And, so, the access to the Palisades is
9 difficult at best and this gives us two more
10 opportunities to allow access for the river Palisades.

11 So, I think it's a great idea and
12 I know you all have done a lot of work and I appreciate
13 what you're doing. So, thank you.

14 MR. CARTIER: Clare, just two
15 comments or questions.

16 I guess from staff, one thing that
17 we look for as a Board is some policies, guidelines,
18 things as these are propagating along properties, so,
19 some things that we would look at.

20 Like, if I looked at No. 7 and
21 looked at Alternate Path 2, I would look at that and
22 say, huh, I'm not real comfortable with a portage path
23 right alongside the lock.

24 MR. GRAVES: We have distances
25 that we've established up and below, preferably up.

1 That's the most dangerous side is on the upriver side.
2 Help me out, Tom. Five hundred feet.

3 MR. RUSSELL: Yes, sir.

4 MR. GRAVES: Five hundred feet.

5 And we've crossed some "t's" and dotted "i's" on that,
6 Keith, just to give the Board assurance. We've had
7 multiple meetings about this. There will be signage up.

8 And it's impossible to keep people
9 off these facilities. Even at Lock 4, I was over there
10 the other day and a lady and two of her kids were going
11 to walk across the walkway.

12 We've got signs up everywhere -
13 Danger, Do Not Trespass, all this other stuff - and they
14 still continue to do it, but we're going to do our due
15 diligence and make sure that we protect not only you all
16 but our staff to make sure that we've crossed the "t's"
17 and dotted the "i's" and do all of that. That's
18 something that has had a lot of thought process.

19 CHAIR SIPPLE: Thanks. So, we
20 just are considering this. So, we need to make a motion
21 and just give our blessing to it, do we not?

22 MR. GRAVES: I think so.

23 MS. ELLISTON: Do you want to go
24 ahead and enter the process and to enter into a lease
25 agreement because that would need to be done before they

1 would start any type of work on the property?

2 MR. GRAVES: Right.

3 MS. ELLISTON: So, I'm not sure if
4 that's where you all want to start right now.

5 CHAIR SIPPLE: But we can't do
6 anything without approval of the State.

7 MS. ELLISTON: What would happen
8 is we would do a lease agreement. It would go through
9 Charles' office. They would have to approve it and sign
10 it. And then at that time, they would be able to start
11 doing work on the properties. I don't know if we're at
12 that point right now.

13 MR. GRAVES: Like I said, it's got
14 to go through Charles' old shop. It's got to go through
15 Finance Legal.

16 MR. BUSH: I think you're just
17 looking for a blessing.

18 MR. GRAVES: We're looking for a
19 blessing here to get the process started.

20 CHAIR SIPPLE: I would like for
21 someone to enter a motion that we approve the initiation
22 of a lease agreement pending all the approvals by the
23 State.

24 MS. BANKS: I do.

25 CHAIR SIPPLE: Pat Banks makes the

1 motion. Do we have a second?

2 MR. STICKNEY: Second.

3 CHAIR SIPPLE: Jack Stickney gives
4 a second. So, all those in favor, signify by saying
5 aye. Thank you. Anybody opposed? Good. I was going
6 to throw you in the river. Thank you, Mary.

7 MS. KOZAK: Thank you very much.

8 CHAIR SIPPLE: Now, we still don't
9 have our Judge here. I think maybe you all ought to go
10 on and do your presentation anyway. Sorry, but it's
11 1:40.

12 MR. BONNY: I might explain that
13 Judge Taylor recently had a pretty serious operation
14 dealing with going through his neck to his spine doing
15 some work there and he's just really not getting out.
16 He wanted to come, I know, but he may not have felt like
17 it this morning. He knew that we were coming.

18 And we did sit down and talk with
19 him about the ideas that we propose for Lock 12, and
20 most of these ideas, some of them were his, some were
21 ours, but we all agreed to the ones that we have listed
22 for you.

23 I appreciate what this group does
24 because I've said so often that the Kentucky River and
25 its watershed is the life blood truly of all of Eastern

1 and Central Kentucky. It's like the veins and arteries
2 in our bodies and the capillaries being the creeks and
3 streams that come in. If our blood gets tainted, then,
4 we are unhealthy, and that's the same way that it's
5 going to be with the river.

6 We would like to propose that you
7 offer blessings for us also, Lock 12. We just really
8 have begun thinking about it. All three governments,
9 the Fiscal Court, the City of Irvine and the City of
10 Ravenna, have all passed resolutions to work
11 collaboratively with the Kentucky River Authority and
12 Jerry to improve the property and try to keep the
13 Kentucky River in good stead.

14 Our proposal would include - and I
15 apologize for not bringing more copies. I didn't know
16 how many people to expect and I thought probably Wallace
17 would bring copies, so, I brought ten or twelve.

18 MS. BANKS: We have them in our
19 packets.

20 MR. BONNY: Well, a few of you do,
21 not everybody, I think, so, you might share if you don't
22 have one. Estill County Fiscal Court Proposal for Lock
23 12 Property. And, by the way, the Magistrates and the
24 Judge are all in agreement on this. They have been very
25 supportive of what we're doing.

1 The Fiscal Court would like to
2 enter into an agreement with the Kentucky River
3 Authority, KRA, for the use of the property located at
4 Lock 12 near Ravenna, Kentucky.

5 It would be understood that the
6 Kentucky River Authority would be responsible for the
7 following: providing, maintaining security/safety
8 fencing - and I think that's the requirement on your
9 all's part - along the esplanade of the lock itself;
10 removing or restoring the buildings currently located on
11 the property - they are in a state of extreme disrepair
12 - inspect the property with the help of the Fiscal Court
13 personnel to insure that no major safety issues/concerns
14 are present on that property.

15 It would also be understood that
16 the Fiscal Court would be responsible for assisting the
17 KRA, as much as possible, with the removal/disposal of
18 debris from the property. Judge Taylor said that his
19 county employees could help haul off any debris as you
20 tear it down and do what you need to do and he felt like
21 that he could talk to our local landfill there and
22 probably get permission to dispose of the debris there
23 at their site probably at no cost.

24 We would maintain/upkeep the
25 property and any improvements made to the property such

1 as mowing, equipment, parking, driveways and so forth;
2 provide liability insurance for public property usage;
3 working with the local law enforcement entities to
4 provide security associated with the property.

5 And some of the uses of the
6 property could be a walking trail, horseshoe pit,
7 volleyball court, swing and slide play set, picnic
8 tables, kayak/canoe portage to bypass the lock and dam
9 areas, and necessary infrastructure such as water,
10 bathrooms, garbage pickup and so forth.

11 I might mention that several years
12 ago, the Fiscal Court and I think maybe the River
13 Authority together came up with a plan, and it's on the
14 website. Francine, do you----

15 MRS. BONNY: Some of them have
16 them.

17 MR. BONNY: And some of you all
18 have that in your packets. It's a drawing of something
19 that was proposed previously but it didn't seem to
20 gather any traction, but we're at it again and going to
21 try to take it forward.

22 The Estill County Fiscal Court
23 would also respectfully like to request that the River
24 Authority consider this proposal and also put the
25 restoration of Locks 11, 12 and 13 on its schedule for

1 river improvement. Also approval to install portages
2 for bypassing those locks would be desirable. This
3 would provide much help in connecting multiple-county
4 usage in the Kentucky River Water Trail Alliance
5 project. We would truly like to see those locks open so
6 that we could have some of the things that Mary was
7 talking about with the Jessamine County thing.

8 The Kentucky River is a resource
9 that sometimes when we look at it, if we live close to
10 it, we're blinded by the familiarity of the river
11 itself. We don't see the beauty. We don't see the
12 benefits that the Kentucky River can provide for us and
13 we really do need to.

14 Francine, do you want to say
15 anything about some of the landmarks and historical
16 things?

17 MRS. BONNY: We have identified
18 many of the landmarks for the Kentucky River Water Trail
19 sites such as where the creeks come in to the Kentucky
20 River, identified where the lumber company was at one
21 time at West Irvine, identified where an Indian village
22 was right there along the banks of the Kentucky River at
23 Irvine where the sewage water plant is now in that area,
24 identified things like where Thomas Walker, who
25 identified the Cumberland Gap. He camped there where

1 Station Camp Creek comes in to the Kentucky River near
2 Irvine in the 1700's, also identified that as a warrior
3 trail where the Indians crossed the river.

4 Then there are a lot of pictures
5 we have identified in our Historical Society. These are
6 pictures from a party boat that was banked along the
7 Kentucky River at one time.

8 So, all of these things we are
9 trying to identify and get on the trail. We're proud of
10 the fact that Paul Sawyer did his Sweet Lick Mountain
11 painting there along the edge of the creek and the river
12 there in Estill County at Irvine.

13 So, we're trying to tie all of
14 these things in together and we do see the Kentucky
15 River as an asset in Estill County with the 40 miles
16 that we have.

17 MR. BONNY: And Daniel Boone spent
18 his first winter actually in the Station Camp area, not
19 a permanent settlement like Boonesborough, but he spent
20 his winter there and had to hide in the cane break from
21 the Shawnee to keep from being captured and no telling
22 what done with, but that's almost within site where
23 Francine and I live.

24 We love the river and we'd love to
25 see you all partner with us in usage. We'd like to see

1 the locks, like you said, opened if possible; but if
2 not, or until, we'd like to see portages around the lock
3 so that it can really be used for canoes and kayaks.

4 There's a lot of fishermen, a lot
5 of fishing tournaments, a lot of good fishing up in that
6 area, not only in the river itself but in Red River,
7 Station Camp, Miller's Creek, all the streams that run
8 in to the river. Station Camp Creek probably has the
9 best population of Muskie per square foot than any
10 stream in the state, huge Muskie.

11 Are there any questions?

12 CHAIR SIPPLE: I think you did a
13 good enough job explaining yourself, Tom. Thank you
14 very much and Francine.

15 MR. BONNY: I would hesitate to
16 have done this had I not sat down with the Judge, and I
17 think that he's probably not here because of that
18 operation. He really looks frail. So, that's probably
19 the reason he didn't make it.

20 CHAIR SIPPLE: Then, I'd like to
21 call for a motion again to give our initial approval of
22 this plan. Of course, it will have to go through the
23 same channels.

24 MS. BANKS: I have a question
25 first. Are we going to incorporate 11, 12 and 13 for

1 the initiation of exploring this?

2 CHAIR SIPPLE: I think that would
3 have to go into our five-year plan and that would be at
4 a further date. I think it's something that we will
5 consider at a later date.

6 MS. BANKS: The portages, though.

7 CHAIR SIPPLE: The portages.

8 MS. BANKS: We're including all of
9 that?

10 MR. BONNY: We would like to see
11 it happen, the portages.

12 CHAIR SIPPLE: Okay.

13 MS. BANKS: So, I make that
14 motion.

15 CHAIR SIPPLE: Pat has made the
16 motion. Do we have a second?

17 MR. STICKNEY: Second.

18 CHAIR SIPPLE: We have a second.
19 Do we have any further discussion? If not, I'll call
20 for a vote. All those in favor of giving initial
21 approval of this agreement, signify by saying aye. Any
22 opposed? Thank you all very much for coming.

23 MR. BONNY: And I would invite any
24 of you that want to explore that section of the river to
25 come up. It's beautiful. It has some features not

1 unlike the Palisades but not hardly as many miles as the
2 Palisades but it's beautiful. The whole river is
3 beautiful.

4 MS. BANKS: And Tom and Francine
5 hosted us two weeks ago on the river with a film crew.
6 It's a documentary for KET. So, you guys are going to
7 see some beautiful footage of the river.

8 MR. BONNY: And we had a pretty
9 good conference with the Kentucky River Trail group back
10 in October. Thank you all.

11 CHAIR SIPPLE: Anybody else from
12 our audience want to make any presentations, comments?

13 David, could we have the
14 Engineer's Report?

15 MR. HAMILTON: The update from the
16 two projects, you should have a photo packet in your
17 meeting packet. These all pertain to the projects at
18 Locks 1 and 2 because the Dam 8 project, all the photos
19 would pretty much look like what we're looking at behind
20 us since everything is under water out there. So, all
21 the photos pertain to Locks 1 and 2.

22 To begin with, the Locks 1 and 2
23 project, we are behind on that, or the contractor is
24 behind, I should say. Originally it was scheduled to
25 finish up in late October. Right now, optimistically

1 looking at late November, mid to late November which
2 obviously our locks won't be open until Memorial Day
3 2015. So, that's not an issue, but the issue that we're
4 concerned about is you're getting into your high water
5 season and the risk that brings to having one set of
6 lock gates at both of those locations. So, we're
7 watching that closely.

8 The recently completed and ongoing
9 work at those locations, they're still working on the
10 lower, the downstream set of gates at both Locks 1 and
11 2. What they are doing on those are the gates have been
12 sandblasted, primed, just finishing up their welding
13 repairs.

14 The work on the lock walls
15 themselves, they've poured the anchor trenches, the
16 concrete. They've poured that at Lock 1 and should be
17 pouring right now at Lock 2. So, if you're adventurous
18 and want to go back to Frankfort the other way, which I
19 can explain to you afterwards if you want, you will
20 actually go by the Lock 2 site and there should be some
21 activity going on there today.

22 The other stuff that they're
23 working on, they've got one section of quoin plate
24 installed at Lock 1. Again, that's basically a steel
25 plate, about a half circle that runs down what you call

1 the hinge of the gate. That's replacing the old
2 concrete surface that used to be there. They've got one
3 section of that in at Lock 1.

4 To go over the pictures, what
5 you're looking at in the first picture is a hidden
6 trench or a hidden shaft that was discovered when they
7 were removing that old stonework to put in the new
8 anchor arms. That will be a possible change order.
9 That's still kind of early on in that process. They've
10 submitted a pretty high number to us.

11 And, so, obviously we're taking a
12 really hard look at it, and I think everybody on the KRA
13 and our design firm are in agreement that the number
14 they've submitted at this point is pretty high.

15 MR. SIMPSON: What was that shaft
16 used for originally?

17 MR. HAMILTON: Well, it's kind of
18 a mystery. It doesn't show up on any of the design
19 plans. The gentleman from New York from Bergman that
20 does a lot of canal work, he described it as a chain
21 shaft, something to do with the way they used to operate
22 the gates; but, like I said, it's not on any of the old
23 drawings. Actually it showed up one day. It was
24 collapsed in and that's when they first found it.
25 Luckily, there wasn't anybody jack hammering on it or

1 anything when it collapsed in, but we found four of
2 those right now.

3 So, they had to do some additional
4 excavation and cover that with steel plates which we did
5 provide and it had a minimal amount of additional
6 concrete that they had to put in.

7 The second sheet is showing some
8 welding repairs, and that's been pretty typical to what
9 we performed at Locks 3 and 4.

10 The third sheet, again, showing
11 some closeups of some of the welding repairs. And just
12 like we did at 3, we found some cracks in the miter post
13 or miter channel, four sheets showing that weld repair.
14 And just like at Lock 3, we added, beyond just welding
15 the crack, we added half-inch steel plates to reinforce
16 that area.

17 The fifth sheet has got the back
18 showing the bed of a truck. Those are some of the parts
19 that we've reused from the Lock 4/Lock 3 rehab from two
20 years ago. We went a different course this year. That
21 first round, those, what you're looking at, the round
22 structures are the pintle shoes. That's basically
23 what's on the bottom of the gate that bears the weight
24 of those steel lock gates.

25 At Locks 3 and 4, we didn't know

1 really what condition those were in until we got them
2 out of the water. So, in that instance, we went ahead
3 and had the contractor order new ones at the very start
4 of the project. Well, since we've brought those out and
5 they were reusable, we had them sandblasted and
6 repainted, and we did find one set at Lock 2 that were
7 fairly well worn, so, we were able to reuse those at the
8 Lock 2 site.

9 At the bottom there is just
10 showing some measurements. Obviously, the trickiest
11 part of this project is getting those lock gates in
12 exactly where they were before and getting everything to
13 line up properly.

14 And, then, the final sheet is
15 showing basically that new steel quoin plate. These
16 were taken back a couple of weeks ago when we tried to
17 get these packets out or a week ago when we tried to get
18 the packets out. So, this is showing them when they
19 were chiseling that out before they put in the new steel
20 quoin plates.

21 One other change order that will
22 be coming that we've agreed to but the paperwork hasn't
23 really been submitted on is the butterfly valves. We've
24 decided to go ahead and replace those with new. We've
25 got a set price on those of \$2,000 per butterfly valve.

1 So, we're looking at ordering ten of those. Two of them
2 were included in the original bid contract. So, that
3 will be a \$20,000 change order that will be coming up.

4 Moving on to Dam 8, Mary, getting
5 back to your question on how long it will be, right now,
6 they have given us an extremely optimistic date of being
7 done by August of next year. More than likely, we're
8 looking later than that. So, in all likelihood, the
9 contractor will be out there all summer next year at Dam
10 8.

11 Like I said, I don't have any
12 photos of that site. They are currently working on the
13 closure cell on the Garrard County side. It's unlike
14 here where it steps up into farmland. At Dam 8, it
15 basically ties into a rock bluff at that location, but
16 that's where they're working at at Dam 8.

17 They had some trouble with the
18 concrete pour at Cell No. 3. Essentially what happened
19 is each one of these round cells contains about 110
20 individual sheetpiles. Well, one of those links, they
21 had incorrectly fastened together; and about halfway
22 through their pour, that sheetpiling began to unzip on
23 them. And, so, they had to call off that pour midway,
24 cut that sheetpiling off, re-drive it and then continue
25 to pour. So, that set them back time-wise, money-wise

1 also.

2 The other big item that's
3 beginning this week at Dam 8 is the grouting process,
4 and that's significant because that's where a lot of the
5 unknown costs could enter into this project. Grouting
6 is kind of a tricky number to nail down. You can do as
7 much pre-drilling as you can, but you're still not
8 entirely sure how much grout it's going to take to
9 totally seal off below the dam. So, we will be watching
10 those numbers closely over the next few weeks.

11 I think that's all I've got on
12 those two projects. Any questions on either of those?

13 CHAIR SIPPLE: No? Good job.
14 Thanks, David.

15 Jerry, you're up.

16 MR. GRAVES: I want to thank Bobby
17 Webb and his staff and Sue and her staff for what
18 they've done here to get all this here - I'm going to
19 walk around a little bit and talk - to get all this put
20 together. This wasn't easy to do.

21 I thought it was a good chance for
22 all of us to get down here and kind of see, kind of
23 showcase what goes on. These guys take a lot of pride
24 in what they do and they work hard. As I tell them,
25 working for me is not the easiest thing or working with

1 me is not the easiest thing in the world, but they put
2 up with me and we mosey along.

3 I have four or five things here
4 I'd like to address. We are in the process of hiring
5 two lockmasters. As you well know, we lost Greg Henry
6 and John Asher this past June. I think they finally
7 got off the payroll in July. We can probably look in
8 Jennie's notes. Some of the payouts are substantial
9 when someone retires.

10 So, we're in the process of
11 filling two positions and probably filling another one.
12 We have a cap of ten employees. So, by hiring two more
13 lockmasters plus the third, that would put us at a cap
14 of ten employees. We are not going to back fill the
15 administrative position that we eliminated at the last
16 Board meeting.

17 And I want to say kudos to Jennie,
18 to Sue and to David for picking up. We haven't missed a
19 beat. They've gone up and beyond the call of duty.
20 They work hard. They don't fuss. David is an engineer
21 by trade. Jennie is a CPA by trade. Sue is like me, a
22 jack-of-all trades by trade.

23 I always tell everybody, other
24 jobs as assigned and we have a lot of those. So, I'm
25 very appreciative of what we do and how we do things.

1 So, that's just a heads-up on that.

2 And probably next summer, we'll
3 hire two temps. We had a temp this summer. Well, we
4 have two temps right now and hopefully things will work
5 well for these guys. I can't pre-select. They'll go
6 through the selection process; but we hired a young man
7 that goes to Hanover College and he was a hard worker.
8 So, I told him he had a job next summer if he wants to
9 come back here.

10 So, we'll probably have one more
11 temp. So, that will give us a staff of what I call the
12 worker bees of eight people to do all the work they are
13 assigned which is a bunch.

14 The other thing I get questions
15 all the time about is the lockhouse renovation process.
16 As you know, you approved the renovation of the
17 lockhouse at 4 to put our office in.

18 I have had meetings across the
19 river as high as I can go. And Clare and I went almost
20 as high as you can go. We met with Secretary Lassiter
21 about a week ago about our project. She didn't say yes
22 but she didn't say no. She told me, she said, Jerry,
23 you're not a very good bureaucrat because you've already
24 started the process, which I have. I've already
25 invested money. So, we have an architect hired.

1 We've got to go through the
2 procedures. As Charles well knows, we had to go through
3 Finance. And, so, we've started the ball rolling. So,
4 in three weeks, we're going to get a preliminary sketch
5 of what we've got to do.

6 It's not like when I was in the
7 construction business. I would just take five or six of
8 us and we would just start. We've got to have it all
9 redrawn. We've got to check for lead paint. We've got
10 to do this and we've got to do that and all this other.

11 So, my costs are going to go up
12 but they're not going to go up beyond I think the point
13 of no return. We've had it budgeted at \$250,000. We've
14 been approved by this Board to go up to \$250,000.
15 That's not going to happen.

16 They've pinched out a number at
17 first and said it's going to cost - and I'll be honest
18 with you - they said it's going to cost \$400,000. So, I
19 looked at the architect and I said, well, what do we owe
20 you? He said, what do you mean? I said, I'm going to
21 pay you right now because we're not going to do that.
22 We're done. So, we're going to cut that cost by 50%.

23 We're getting there. We're
24 closer. I know Mr. Caines has asked me every time we
25 cross paths, whether it's downtown or here, and it's a

1 good point. To me, it's the most logical thing that we
2 could possibly do. It's \$25,000 a year in our back
3 pocket and that's a lot of money when you don't have a
4 lot of money.

5 MR. BANNISTER: Jerry, what
6 architect are you working with?

7 MR. GRAVES: Clayton Farmer. It
8 has to go through Finance. I don't go out and have the
9 process of saying, here, I want you to come in. So,
10 there's a process, but Clayton and I are on the same
11 page now. So, anyway, that's how we stand on the
12 lockhouse.

13 Thursday - this is FYI. In fact,
14 I think the day that Clare and I were meeting with
15 Secretary Lassiter, we got a call from Andy Barr's
16 office. He wants to come tour our locks.

17 MS. BANKS: All of them?

18 MR. GRAVES: Well, he's going to
19 start at 4. He's going to block out two or three hours.
20 So, he'll probably get to go to 3 and 4. Why not? If
21 he wants to come, we'll let him come and we'll showcase.
22 You never know. He might have a couple of dollars in
23 his back pocket. So, that's just FYI. That takes place
24 Thursday, I believe, this coming Thursday.

25 The Canal Conference takes place

1 the 20th through the 23rd of September, and Jennie,
2 David and I are attending that. We'll be there. And
3 hopefully when this happens two years from now, maybe we
4 could have some Board members who would like to venture
5 into that.

6 I have one other thing. It's food
7 for thought. And I look over and see Mr. Flynn from
8 Winchester. Probably at the next Board meeting - I'd
9 like for the Board members to be thinking about this -
10 we probably will start thinking about getting an RFP out
11 for the design of Lock and Dam 10. We have money set
12 aside for that. And, so, probably it will be on the
13 agenda for approval to move forward.

14 I want you to think about not only
15 just approving it, but I don't want to approve this, the
16 design, and set it on the shelf. So, the next thing
17 we'll have to do somewhere is come up with funding for
18 the water supply for above 10. So, we'll discuss that
19 at a later date, but I thought I'd give you something to
20 sleep on.

21 Other than that, we're doing a
22 lot, a whole lot. We're extremely busy. Staying on top
23 of contractors is almost a full-time job. It's the
24 world I came from, but if you give them an inch, they
25 will take a mile.

1 They did submit a change order to
2 David and I, and it's not going to happen. That
3 change order is not going to happen. I assure you, we
4 scrutinize every penny that goes through this office.

5 And our audit takes place----

6 MS. WOLFE: We'll have our
7 entrance conference next week.

8 MR. GRAVES: So, our annual audit
9 by Adam Edelen's office, the State Auditor, for the past
10 year will take place starting September.

11 Any questions?

12 MR. CARTIER: Jerry, I think we
13 had asked this before, and we probably did it, looking
14 over at Jennie, just understanding when certain debt
15 might be retired and when not so as we consider if we
16 have to take on more, what does it do, and then the
17 question of and what is the impact on the withdrawal
18 fees. So, it's just laying that out for us so that we
19 know when we're approving something what we're
20 approving.

21 MR. GRAVES: Absolutely. The
22 process will be just like the last time. Our debt
23 service on 8 is paid down, I think we've got a 15-year
24 note. Is that right?

25 MS. WOLFE: Twenty-year.

1 MR. GRAVES: On a 20-year note.

2 MS. WOLFE: On Dam 9?

3 MR. GRAVES: On Dam 9. Sorry.

4 I'm sorry. We're currently paying on 9 and 8. This one
5 here was paid for by the General Assembly. That was
6 paid for. I don't think that's going to happen again.

7 It will be the same process.

8 We'll have to come in. We go through the Budget Office
9 request. We'll have to go through the Office of
10 Financial Management of what we need to do. They tell
11 us how we do what we do as far as the structure of our
12 fees. There's a lot of variances - interest rates,
13 amount of money, a lot of things I probably should know
14 but I don't.

15 And that will fulfill our six-year
16 plan. Then we will submit the next six-year plan and
17 David and I will sit down and we'll go through what
18 Stantec did to prioritize the next dam upriver and go
19 through that process and move forward.

20 MR. BANNISTER: Jerry, I'd like to
21 make a comment that sort of parallels with what Keith
22 alluded to is the Frankfort Plant Board has six water
23 districts that we provide water to, and a couple of them
24 on the west side of Frankfort gets their water from both
25 Frankfort and Louisville Water Company.

1 So, we are in competition with the
2 Louisville Water Company on how much water we sell to
3 these water districts. And Keith indicated, we need to
4 know what is the rate impact when we look at expending
5 money on projects.

6 So, right off the bat, when we are
7 competing with Louisville water, the Kentucky River
8 water is 20 cents a thousand gallons more than
9 Louisville right off the bat because of our withdrawal
10 fees.

11 And I'm all in favor of improving
12 traffic and tourism on the river, but I want everybody
13 to understand our perspective that we've got to watch
14 our expenses because we are in competition with
15 Louisville water.

16 MR. GRAVES: Absolutely.

17 MR. BANNISTER: Ohio River water.

18 MR. GRAVES: They've got a pretty
19 good deal because I don't think there's any withdrawal
20 fees at all, correct?

21 MR. BANNISTER: Yes, sir, that's
22 correct.

23 MR. GRAVES: That's something I
24 thought maybe somebody might have tapped into a long
25 time ago.

1 MS. BANKS: And they don't have
2 any lock and dams they are repairing.

3 MR. GRAVES: They're all
4 maintained by the federal government.

5 CHAIR SIPPLE: But a comparable
6 issue would be people who live in areas where they're
7 served by the rural cooperatives rather than KU. You
8 know, the rural cooperatives are much more expensive;
9 but when you've got the infrastructure in place to carry
10 the water, it's not like you can just switch a valve and
11 change from Louisville water to Kentucky River or vice
12 versa.

13 So, even though we are in
14 competition, I don't think there's any danger of every
15 district in Frankfort and Franklin County changing over
16 to Louisville water, is there, Herbbie?

17 MR. BANNISTER: There is the
18 possibility that if our water rates get out of align,
19 they will start making infrastructure changes.

20 CHAIR SIPPLE: But 20 cents a
21 thousand gallons is not a huge----

22 MR. BANNISTER: I just wanted you
23 all to be aware of the issue.

24 CHAIR SIPPLE: I understand.
25 Thank you.

1 MR. GRAVES: We're between a rock
2 and a hard spot.

3 CHAIR SIPPLE: Well, I'm sure a
4 lot of you who read the Lexington Herald saw the article
5 that Greg Coker did a couple of weeks ago about how many
6 households in Kentucky are without public water, and
7 we certainly can't expect every water district to
8 provide--if you choose to live 50 miles or 20 miles from
9 the closest water treatment plant, you can't be expected
10 to have city water.

11 I agree that we have to be aware
12 that there is competition there. We also have to be
13 aware the way these things are set up, you have
14 infrastructure that supplies different districts. And,
15 as Pat pointed out, we're having to maintain the locks
16 and dams, and I think we do it for a really--it's a
17 bargain price for what people get. And we've managed to
18 maintain our water supply with very little help from
19 local governments. We've only had one rate increase in
20 how many years now?

21 MR. GRAVES: It's been a while.

22 CHAIR SIPPLE: It's been a while.
23 So, we're very conscious of that, Herbbie. It's
24 something we've had a lot of discussions about in these
25 Board meetings.

1 If we don't have any more
2 questions for Jerry, I'll just give my presentation very
3 quickly.

4 I'm really glad to see everybody
5 came to this. It's always nice to get people down to
6 the river. I think that our Board needs to see what it
7 is that we actually do.

8 And I was lucky enough two years
9 ago to tour all the locks and dams with the National
10 Park Service, so, I felt like I got a real leg up on an
11 understanding of the concept and it's massive.

12 I remember the first time I came
13 to a KRA Board meeting and looked at the budget, I was
14 overwhelmed. That's a lot of dollar signs; but part of
15 what we do here is not just to ensure the water supply,
16 but we also want to talk about recreation on the river
17 because the more eyes we have on the river, the better
18 chance we have of having stewards for the river.

19 And with that in mind, we had our
20 first annual River Blast two weekends ago at Fort
21 Boonesborough. I saw a lot of you there, and you all
22 know it was a really fun event. We had a lot of
23 support.

24 Kentucky American Water was our
25 name sponsor. They provided a lot of financial support

1 for us, but there was a committee that met probably
2 twenty times in less than a year and we managed to pull
3 this off. We had about 4,000 people in attendance and
4 it was a really wonderful event.

5 For those of you like Mary that
6 were there doing presentations, they stayed all day
7 under the tents and talked to people about the river,
8 and I think we did a good job of expressing to the
9 public how passionate we are about the Kentucky River.
10 And I saw so many people, older people who were there
11 who said, gosh, I remember coming to Fort Boonesborough
12 when I was a teenager.

13 This was a great event. It really
14 brought back a lot of memories to people. We did well
15 financially. We raised money for the Riverkeeper and
16 for Bluegrass Tomorrow, but, more importantly, we raised
17 awareness of the Kentucky River. So, I think that's a
18 really great thing to do.

19 I also would like to say that as
20 we've had this partnership with the National Park
21 Service and we've done the assessments and now we need
22 to move to the next stage, what's the next step? We had
23 presentations today that show what that next step is.

24 We had the National Park Service
25 come and look at all these locks and dams. We did

1 assessments of the portage routes around them. We've
2 had discussions about safety and now we're having the
3 local governments start to say we really want to partner
4 with the Kentucky River Authority and make these plans
5 happen. They see the value for tourism. With the Water
6 Trail Alliance, lots of people are now aware of what the
7 potential is with for the Kentucky as a recreational
8 resource.

9 Now, I would like to see us
10 reconvene our Recreation Committee. We had this
11 committee in place for a number of years but we haven't
12 actually met as a committee.

13 And, so, since we have new members
14 of the Board, some that are moving off the Board, I
15 think we need to ask for volunteers to join the
16 Recreation Committee and we'll start working with groups
17 like Mary's group, all the different local governments
18 and see about what we can do as the next step for
19 promoting these portage routes and the Kentucky River as
20 a tourism activity.

21 So, I would like to be on that
22 committee. I'd like to ask Pat to be on it, and I'd
23 like to ask for any other volunteers who would like to
24 be part of this committee.

25 MS. ELLISTON: Who? I'm sorry.

1 Pat, you and who?

2 CHAIR SIPPLE: Whoever would like
3 to. I'd like to have someone volunteer.

4 MR. SIMPSON: I'll be glad to.

5 CHAIR SIPPLE: Great, Rodney. So,
6 we've got three. I think we said three to four would be
7 a good number. If anyone else would like to join us,
8 we'll be convening. Keith.

9 MR. CARTIER: I was going to say,
10 Jack, you're welcome to, but if you needed a fourth, I
11 can try. I don't want to hold up. So, maybe if we have
12 a fifth, somebody can----

13 MR. STICKNEY: I can stand in for
14 you.

15 CHAIR SIPPLE: Okay. Well,
16 between the two of you. What we'll do is we'll probably
17 call a meeting at a central location for all of us
18 before the next Board meeting.

19 I don't have anything else.

20 MR. GRAVES: Can I have a do over?

21 CHAIR SIPPLE: A do over?

22 MR. GRAVES: A do over. This is
23 Charles Bush's last meeting. I think I'm correct.

24 MR. BUSH: Yes.

25 MR. GRAVES: Charles is leaving

1 Finance and going back to where he started state
2 government back over at Fish and Wildlife. So, I want
3 to say thanks, Charles, for sitting on the Board.

4 CHAIR SIPPLE: This won't be the
5 last we'll see of you.

6 MR. BUSH: I appreciate all of you
7 all, your passion for the river. It's been fun sitting
8 in with you all. So, I'll work with you from Fish and
9 Wildlife.

10 MR. GRAVES: We do partner with
11 Fish and Wildlife on some things. I met the
12 Commissioner a couple of weeks ago. I did a meet and
13 greet and a fine gentleman, very open-minded. I
14 expressed some concerns that I had and I told him, I
15 said, I'm here to work with people instead of work
16 against people. So, it was an excellent meeting. So,
17 Charles, I wish you the best and come back and see us.

18 CHAIR SIPPLE: Thanks, everybody,
19 for coming. Do I have a motion to adjourn?

20 MS. AKERS: So moved.

21 MR. COLLINS: Second.

22 CHAIR SIPPLE: We are adjourned.

23 MEETING ADJOURNED
24
25

STATE OF KENTUCKY

COUNTY OF FRANKLIN

I, Terri H. Pelosi, a notary public in and for the state and county aforesaid, do hereby certify that the foregoing pages are a true, correct and complete transcript of the proceeding taken down by me in the above-styled matter taken at the time and place set out in the caption hereof; that said proceedings were taken down by me in shorthand and afterwards transcribed by me; and that the appearances were as set out in the caption hereof.

Given under my hand as notary public aforesaid, this the 27th day of August, 2014.

Notary Public
State of Kentucky at Large

My commission expires February 10, 2017.